



Dwindling Revenue Requires Sharper Focus on Budget Priorities

State revenue forecasts have dropped by more than \$7.6 billion since the start of the Great Recession. Real per capita state revenue collections have plummeted to the lowest levels since the mid-1990s.

During that time, we have cut nearly \$10.5 billion from current and projected spending. These reductions have put greater pressure on the state's safety net and forced all of government to do more with less. We have:

- » Cut more than 60,000 working poor adults from the state Basic Health Plan.
- » Closed three prisons and eliminated more than 1,200 positions in the Department of Corrections, including community corrections officers.
- » Reduced Temporary Assistance for Needy Family grants by 15 percent.
- » Reduced state funding for four-year universities by more than 40 percent, and community and technical colleges by 20 percent.

- » Eliminated funding to reduce class size and increase teacher pay.
- » Adopted the Discover Pass program to help pay for our state parks system.

We have also launched major reforms that rein in long-term cost drivers, boost government efficiency and help speed our state's recovery. For example, we adopted pension reforms that will save \$7.6 billion over the next 25 years; merged all or parts of five agencies to create the Department of Enterprise Services; and adopted reforms that save \$1.1 billion in workers' compensation costs over four years.

Now as we begin discussions of more than \$1.4 billion in additional reductions, we must cut from an even smaller portion of the state budget. Nearly two-thirds of General Fund-State spending is protected by constitutional, legal or contractual obligations. This means the bulk of these reductions must come from about \$8.7 billion in programs and services that are unprotected.